



EXPORT PERFORMANCE OF CASHEW IN INDIA

S. Sakthi Kumar* & Dr. K. Gunaseela Prabu**

* II MIB, S.N.R Sons College, Coimbatore, Tamilnadu

** Assistant Professor, International Business, S.N.R Sons College, Coimbatore, Tamilnadu

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Abstract:

Cashew is a tropical evergreen tree known for its seed worldwide. It flowers once a year between the month of November and January. The sweet flavored nuttiest feature of cashew nut like seeds are obtained from the bottom of the false fruit of this tree, which is termed as cashew apples. The Cashew nut can be seen sitting smugly under the soft belly of the cashew' apple. Cashew seed is the food product. It is placed third among the largest consumed tree nuts in the world. The commercial production of cashew seed is done in more than 32 countries of the world, mostly in hot and dry agro climatic conditions suitable for cashew cultivations. Now it has become the number one crop in the world. The main objective of the study is to examine the problems faced by cashew exporters from Tamilnadu and to suggest suitable recommendation for improving the performance of the industry. The central Govt. should adopt certain measure for reducing the major problems and encouraging exporters. Then only the cashew exporters to reach their target in future export of India.

Keywords: Commercial production, climatic conditions and cashew exporters.

Introduction:

Cashew was introduced in Goa by Portuguese during 16th century. Today this crop is one of the major cash crops of Goa covering an area of 512000 hector. Since its introduction, cashew has very well adapted to Indian climatic condition and it is grown in the east and west coastal region of India. Later it spread as popular crop to other part of India. Common names of the cashews and its products are cashu, caju, acaju, acajou, anacarde, cacajuil, pomme, Maranon, jocote Maranon, merey, jambu, cashew apple, cashew nut and cashew kernel etc. In Mozambique, the maconde tride refer to it as the "Devil Nut". It is offered at wedding ceremonies as a token of fertility and is considered by many to have aphrodisiac properties. The cashew plantation is mainly to control soil erosion and to increase forest cover. It also helps to reduce the effects of cyclone and tidal waves. The cashew is mainly considered as a employment provider to socially and economically backward communities. The cashew plantation helps to utilize the vast stretches of vast land in the country. Besides earning more foreign exchange, they facilitate economic growth. The Kollam-based cashew processing industry has sought a ban on Endosulfan. Cashew entrepreneurs said the industry did not need raw nuts from plantations that use Endosulfan. The use of such nuts would only serve to harm the industry, especially in the export markets. They said the global production of raw cashew touched 20 lack tones. India produces about 6 lack tones of raw nuts. The country processes more than 12 lack tones of raw cashew out of which about 6.5 lack tones to 7 lack tones were processed by the Kollam-based industries and the bulk of these were imported. Endosulfans were a negligible quantity which the industry did not require. For that matter, the industry was averse to process nuts from plantations that used not only Endosulfan but also any other chemical pesticide. Cashew prices have maintained their weak trend despite poor global supplies because of subdued demand from consumers. Traders, however, feel that prices won't stay weak for long as Indian production is expected to be less, while cashew crop in Ivory Coast another big producer is also expected to be less due to bad weather. As per market sources, cashew market continued to be quiet. Uncertainty in demand has made buyers wary as well. They do not want to be carrying long positions at prices which are the highest ever and then see a dramatic drop in demand. As per cashew processors, raw materials prices are very high and not viable for processors.

Statement of the Problem:

Cashew industry is the one of the foreign exchange earning source in India. Now the cashew exporters face lots of problems like tax problems, competition, shortage of raw cashew nut, fluctuations in exchange rate and trade dispute.

Scope of the Study:

India is the largest producer, processor and exporter of cashews in the world. In India, cashew export accounting into 60% of world's total market. Compared to previous year export performance there is a decrease in volume of export in the current year. The cashew industry faces lots of problems. So the study was undertaken to know about the problems faced by cashew exporters.

Objectives of the Study:

- ✓ To examine the problems faced by cashew exporters from Tamilnadu
- ✓ To study the overall performance of the cashew industry in Tamilnadu.
- ✓ To assess the growth of cashew export from Tamilnadu.
- ✓ To understand the year wise and country wise export from Tamilnadu.
- ✓ To suggest suitable recommendation for improving the performance of the industry.

Research Methodology:

Research Design:

As a first stage the search on literature about concept, method of utilization, its proceedings all that require a descriptive analysis. The opinions were collected through questionnaire. The results were analyzed by applying tools and result has been interpreted. So the study was analytical research.

Sample Design:

The study was conducted in Tamilnadu. The exporters list was collected from the website www.cashewindia.org.

Sample Size:

A sample of 50 exporters was taken for the study. Among them, 48 samples are collected from Kollam district and remaining samples collected from Cochin district.

Tools Applied:

The data were analyzed through the application of various statistical tools like chi- square test and simple percentage analysis and chi square

Analysis and Interpretation:

Export of Cashew Kernels from India During 2014-2015:

Countries	2014-2015	
	QTY (M.T)	%
U.S.A	30643	29.59
U.A.E	23904	23.08
Netherlands	9349	9.02
Japan	7413	7.15
U.K	2766	2.67
Saudi Arabia	6636	6.45
France	2958	2.77
Spain	2384	2.35
Belgium	2601	2.51
Greece	1252	1.21
Egypt	897	0.86
Australia	1356	1.36
Germany	4724	4.56
Others	6656	6.42
Total	103539	100

Inference:

The above table shows that cashew kernels exports from India to various countries. USA stands the 1st position in consuming cashew kernels from India. The export of cashew Nut shell liquid from India to various countries. USA stands the 1st position in consuming cashew Nut Shell Liquid from India followed by China, Korea, Japan etc.

Type of Exporter:

Type	No. of Respondents	Percentage
Merchant	10	20
Manufacturer	35	70
Both	5	10
Total	50	100

Inference:

From the above table inferred that 70 % of the respondents are manufacturer exporter, 20% of the respondents are merchant exporter and remaining of the respondents are both manufacture and merchant exporters.

Findings and Suggestions:

Findings:

- ✓ From the survey, it was found that 70% of the respondents are manufacturer exporters.
- ✓ Most of the respondents export monthly.
- ✓ From the survey, it was found that majority of the exporters (80%) export cashew kernels and remaining respondents export other cashew product.
- ✓ Majority of the respondents export their product to American Zone.
- ✓ Most of the exporters told that irrigation system is fruitful for the growth of cashew.
- ✓ Majority of the exporters feels that hybrid variety shows changes in their productivity.

- ✓ From the survey, it was found that majority of the respondents did not get sufficient raw cashew nut to meet the requirements.
- ✓ Fluctuation in exchange rate is the major problem faced by most of the Indian exporters.
- ✓ Majority of the respondents are facing competition after the emergence of Vietnam. Vietnam and Brazil is the major competitor of Indian exporters.
- ✓ From the survey, it was found that majority of the exporters face the lack of infrastructure facility problems.
- ✓ Most of the exporters get proper information about the world market. It was given by CEPPI.
- ✓ Majority of the exporters feel that competition is a major hindering factor for marketing of cashew product.
- ✓ About 56 % of the respondents are facing problems in packaging of cashew product.
- ✓ From the survey, it was found that exporters are facing trade dispute problem.
- ✓ From the survey, it was found that 76% of the exporters are facing the custom clearance difficulties for exports.
- ✓ About 64% of the exporters are facing the problems of sourcing funds.
- ✓ From the survey, it was found that 60% of the respondents facing problems in receiving export proceeds.
- ✓ Majority of the respondents told that Govt. conducting quality improvement training program for developing exports.

Suggestions:

- ✓ There should be increase in the production of raw cashew nut by taking scientific and systematic method other than using hybrid variety.
- ✓ Replantation programme and introduction of organic cashew farming can enhance the domestic production of raw cashew nuts.
- ✓ Govt. should provide certain incentives to achieve the higher growth rate of production.
- ✓ Cashew exporters should use new innovations and modernized technology for processing of cashew nut to overcome the shortage of laborers.
- ✓ Govt. should provide financial assistance to improving the infrastructural facility.
- ✓ Should introduce more incentives and facilities to laborers.
- ✓ CEPPI should provide the information about the world market at right time to Indian exporters.
- ✓ Trade fairs and seminars should be conduct in foreign countries.
- ✓ Central Govt. can increase the assistance to exporters in participating trade fair exhibitions.
- ✓ Govt. should take a step to making lack of persons, good quality and recyclable package.
- ✓ Central Govt. /CEPPI should provide subsidiaries and loan facilities to cashew exporters.

Conclusion:

The research brought about the problems faced by the cashew exporters from India especially in Tamilnadu. The exporters face various problems like acute shortage of raw cashew nut, fluctuation in exchange rate, lack of infrastructural facility, competition from Vietnam and financial problems etc. Through these problems it may reduce the export performance of cashew kernels and CNSL during 2014-2015 when compared to the year 2008-2009. Global recession also adversely affects the Indian cashew exports during the current year with demand from US and Europe dropping. Consequently prices and volume of sales fell in international market. The central Govt. as well as state Govt. should adopt a programme for increasing the domestic production of raw cashew nut and improve the quality of finished product. CEPPI has to encourage the exporters in participating trade fairs and exhibitions. So that cashew exports from India will increase and it make India become a largest cashew exporting country among other countries of the world. Thus the central Govt. should adopt certain measure for reducing the major problems and encouraging exporters. Then only the cashew exporters to reach their target in future export of India.

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